

# Changing Forces, Changing City



By Kim Walesh, City of San Jose

# The world is becoming more urban

**10%**

1900

**50%**

2008

**75%**

2050

**We face critical decisions about the  
kind of city San Jose should  
become in the future**



**We know the next 30 years will be fundamentally different than the last**



**We need to plan a San Jose that can  
succeed in an uncertain future**



# Consider how we can harness forces of change to be a model city



**Demographic**



**Economic**



**Business**

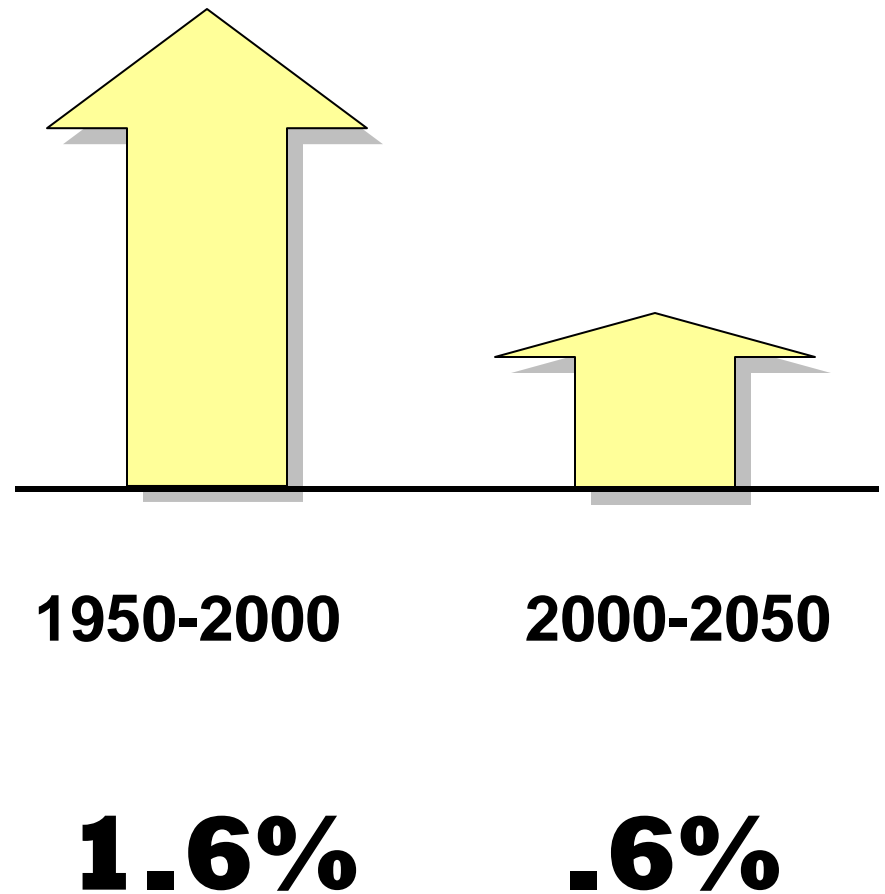


**Environment**

# Demographics: The Battle for Talent Escalates



Labor force will  
grow more slowly,  
be dramatically  
different



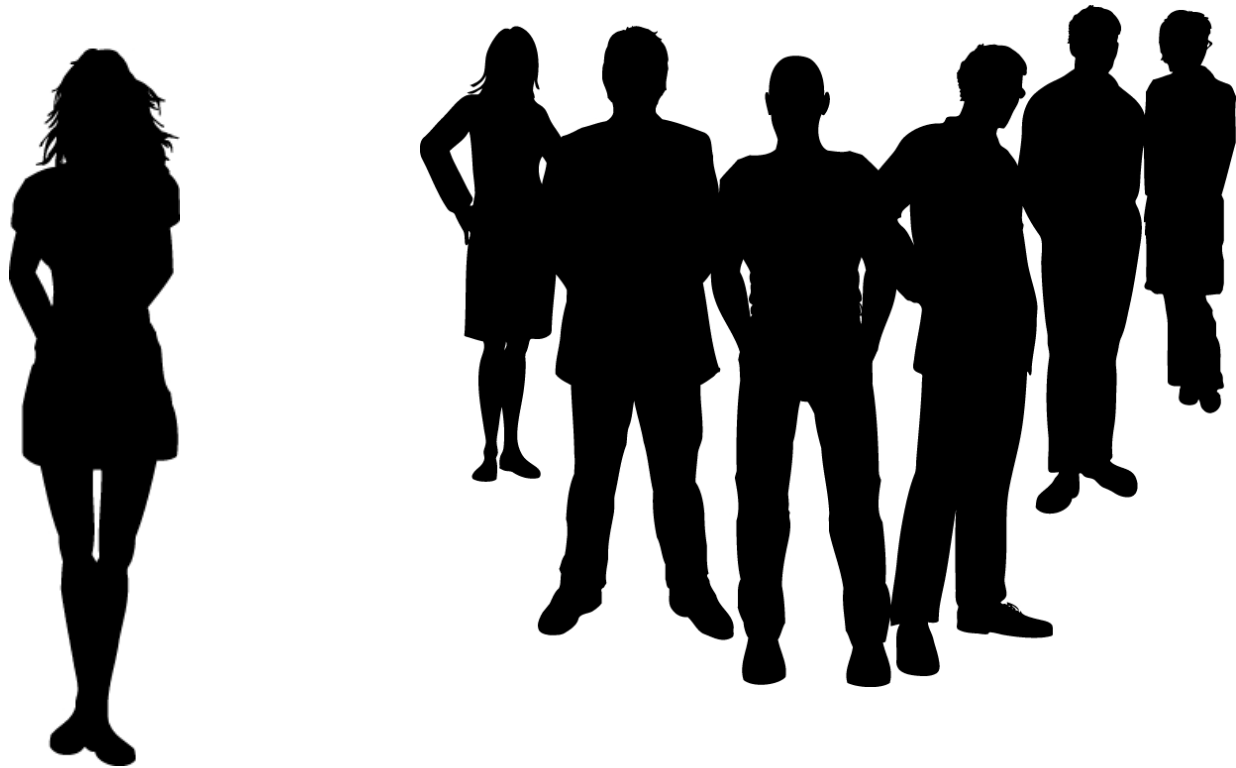


# **It will be challenging to find workers to replace the Boomers**



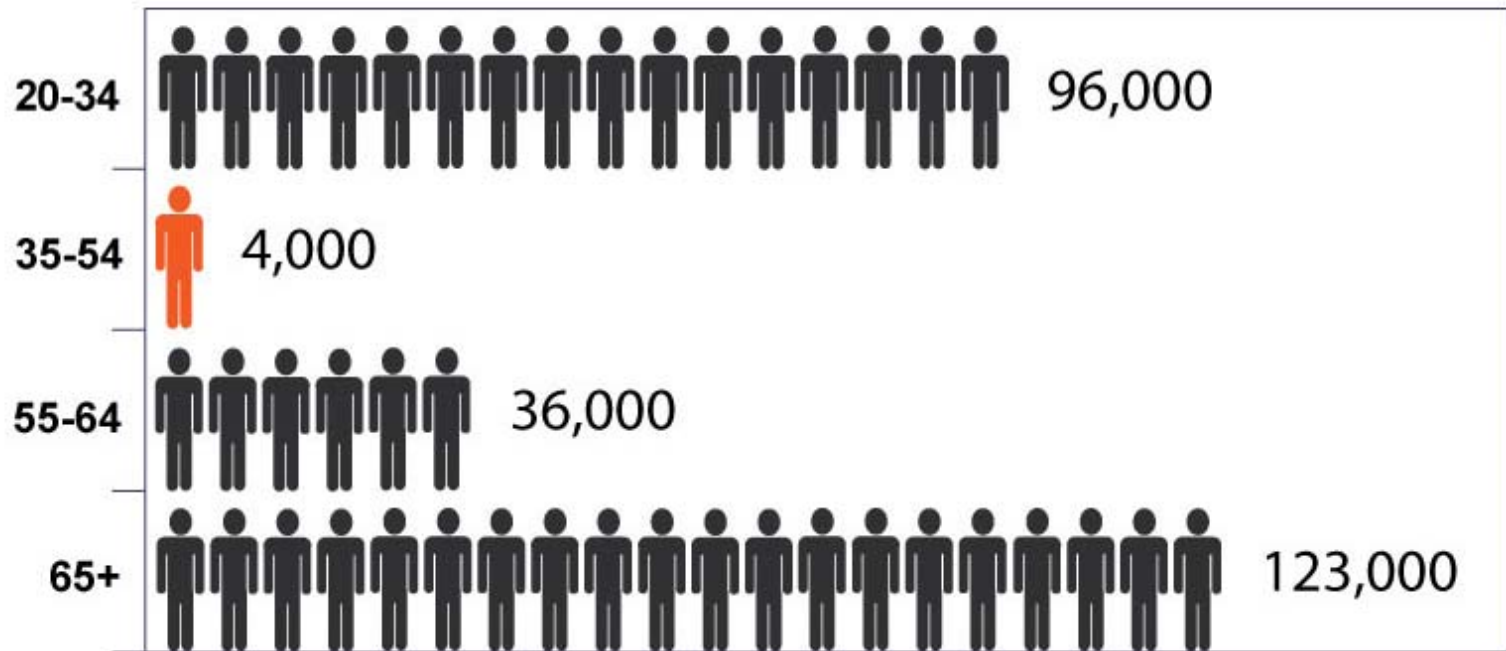
**2010**

# **It will be challenging to find workers to replace the Boomers**



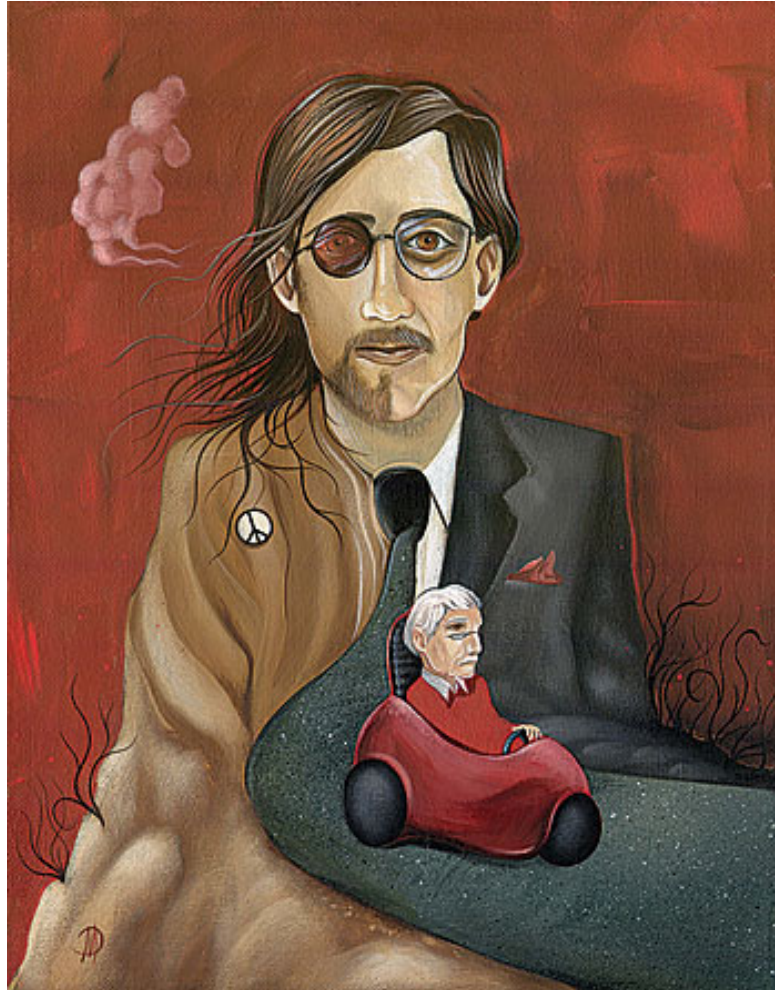
**2016**

# San Jose faces no growth in core middle-aged workforce



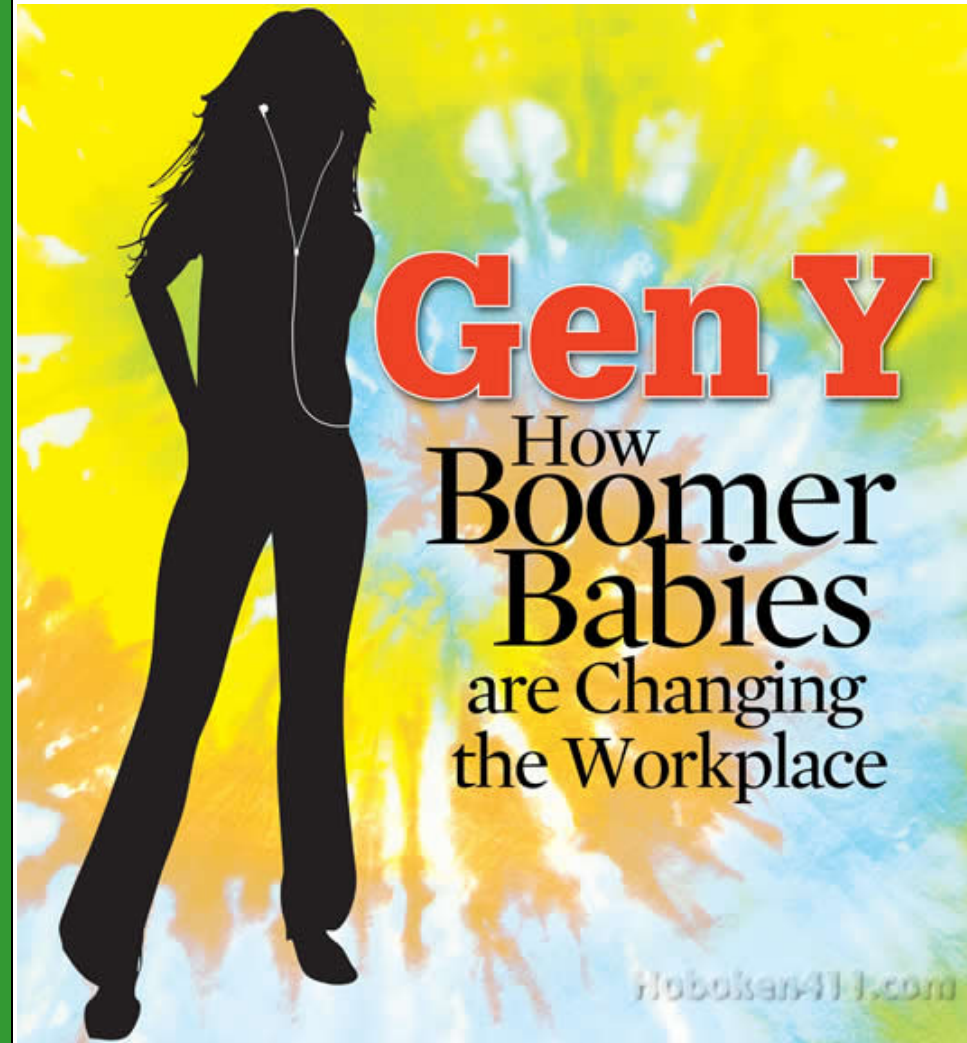
2007-2030

# Boomers will remain an asset, but also challenge economic vitality



Dan May

Young  
professionals are  
key to prosperity





# “Live First/Work Second” is their mantra

THE WALL STREET JOURNAL SUNDAY.

## A BALANCED LIFE

By TARA PARKER-POPE AND KYLE POPE

### Pick a Place to Live—Then Find a Job

If you could live anywhere on the planet, where would it be? Like most people, where we live has been dictated by our jobs. We started our careers in Austin, Texas, a town we loved and really didn't want to leave. But the next job opportunity took us to Houston, and then to Dallas. We never put any thought into whether we wanted to live in those cities. We just went, because that was where the work was.

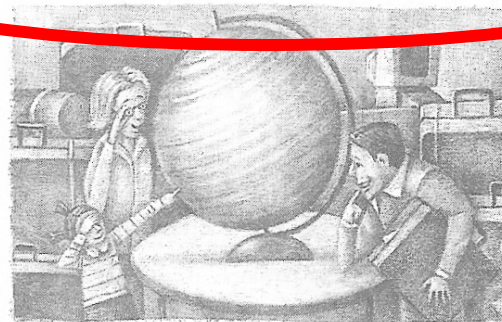
Later, jobs in London and New York were more appealing because of where they were. But it was still the job that determined the city, rather than vice versa.

After a recent vacation in France, we spent hours talking about how much we both would like to live there. But work opportunities broad are more limited, so it seems unlikely to happen except, perhaps, when we retire in 30 years.

Even so, the experiences of several of our friends make us realize that it really is possible to live in the place of your dreams long before our retirement years.

A few years ago, a friend of ours who lived in Connecticut and wanted to work in New York decided she wanted to live somewhere else. Her husband had always dreamed of living on a lake. The problem was that both their jobs were far from the place in southern New Hampshire where they wanted to live.

Even so, they decided where they lived was the thing that mattered most, and both felt confident they could find interesting work anywhere. So they decided to move. He quit a management job and started consulting. She also was prepared to leave a job she loved as a vice



president work situation that she wouldn't have had otherwise.

"I love being here in the peaceful setting on the lake, but still love traveling to New York," she says.

"It's a way I've been able to incorporate both sides of my life. In a small way I'm avoiding some of the guilt that often comes with working mothers because I have the best of both worlds."

She knows she and her husband were lucky to find fulfilling work and be allowed to live where they wanted, but she thinks it's a plunge everyone can take. "You just need to have confidence that no matter what you decide to do, you're going to be OK," she says. "Look at it as an adventure instead of a scary experience."

It was on a long vacation in France that two other friends of ours decided to change their city. Our friend came equipped on the vacation with cellphones and computers so he could keep track of his business. He was surprised by how

and near the ocean—all the fun things we do on vacation."

And so they began researching places to live. He had started a thriving business in London, but gambled that he could continue working while based in France. He wanted to live relatively close to a business area so he eventually had the chance to develop contacts closer to home.

The decision also was heavily influenced by where they wanted to send their son to school. Financially, they had always lived below their means and had managed to put together some savings that could buffer them if times got tough.

They settled on Toulouse, France. And they moved.

After six months, they are thrilled with their decision. They are more relaxed, and sometimes feel as though they have simply forgotten to go home from vacation.

"I don't want to make it sound like it's without obligations or frustrations," he says. "We still have

next day," he says.

He laughs at the notion that the move makes him a risk taker or some sort of pioneer. He notes that his great-grandfather, who emigrated from Latvia and lost his wife on the voyage to America, was a risk taker.

"They didn't have phones and faxes and automatic forwarded e-mails," he says. "They didn't have the hometown newspaper on the Internet. These people left everything behind to start a new life. In some ways it's a bit similar—they wanted to live somewhere else."

Our friend notes that while many people think it's great he now lives in such an idyllic location, most don't think they could make such a major lifestyle change themselves, either because their job wouldn't allow it or they couldn't swing it financially.

"People will always invent reasons why they can't do things," he says. "You look at the freedom that is out there that one could give one self, and it's a bit scary, a bit overwhelming. I think people would rather limit themselves.... They build in a huge amount of expense in their lives, and that does limit you."

He admits such a change would have been more difficult if their kids had already been immersed in school. That's one reason he and his wife decided to move while at the early stages of starting their family which includes a young son and twins on the way.

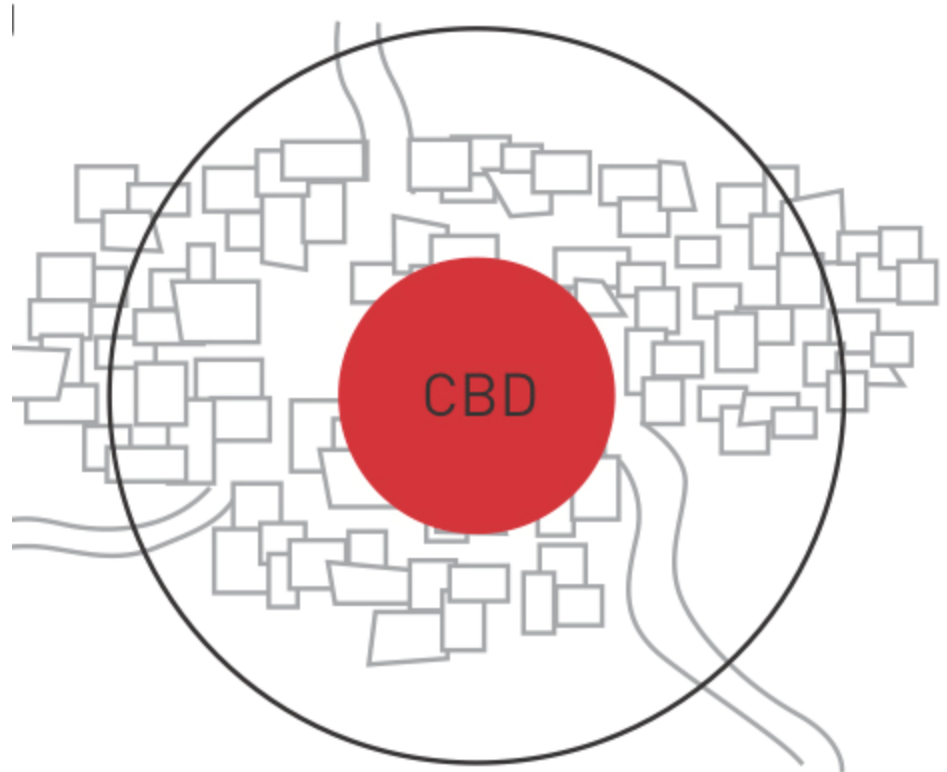
"Once we got our kids into school system and a rhythm of life of their own, we knew we weren't going to be able to leave," he says. "Why wait for retirement? Besides, it might not ever come, or we won't

# Young professionals preferring central city locations

1980: **10%** more likely

1990: **12%** more likely

2000: **33%** more likely



**CEOs** for Cities



# May kindle movement for “Kids in Cities”





Immigrants are  
essential for  
workforce growth



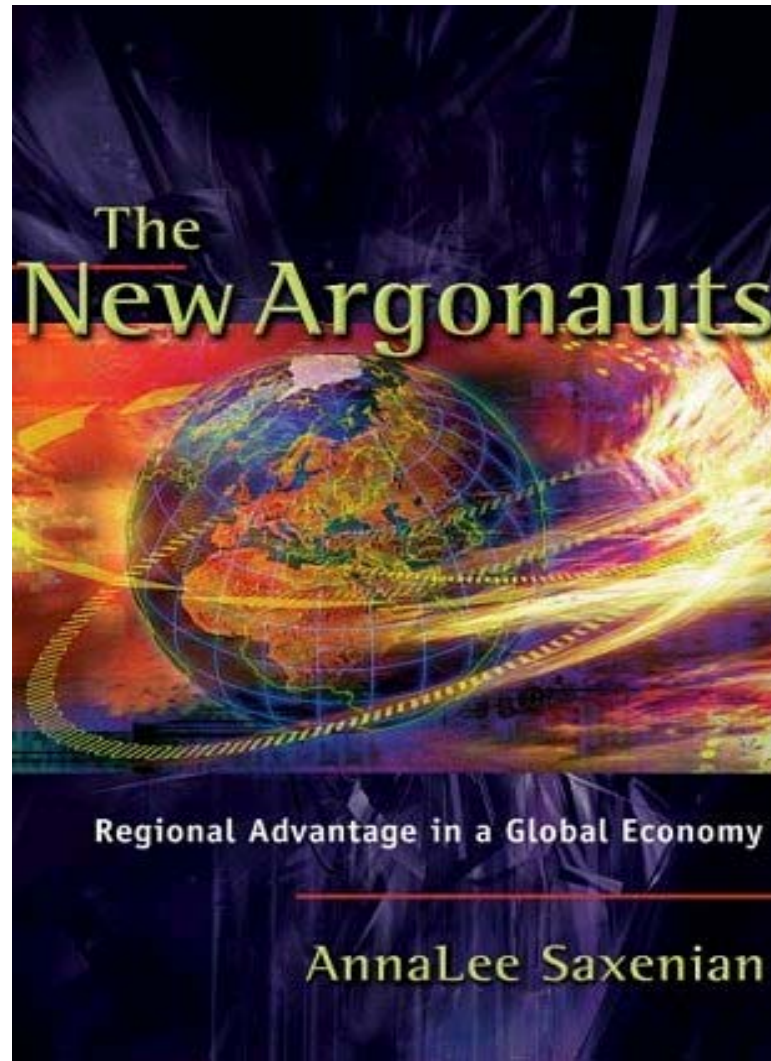
# **In California, immigrants and their children will drive workforce growth the next 25 years**



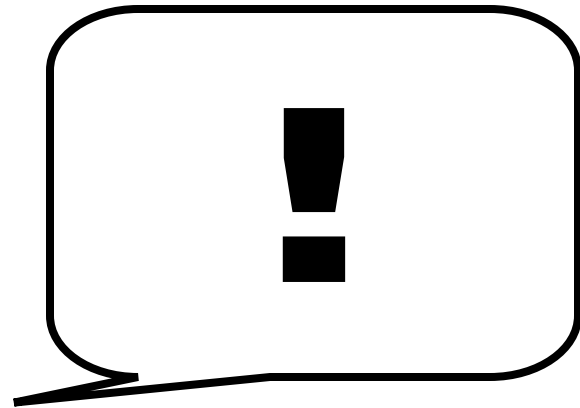
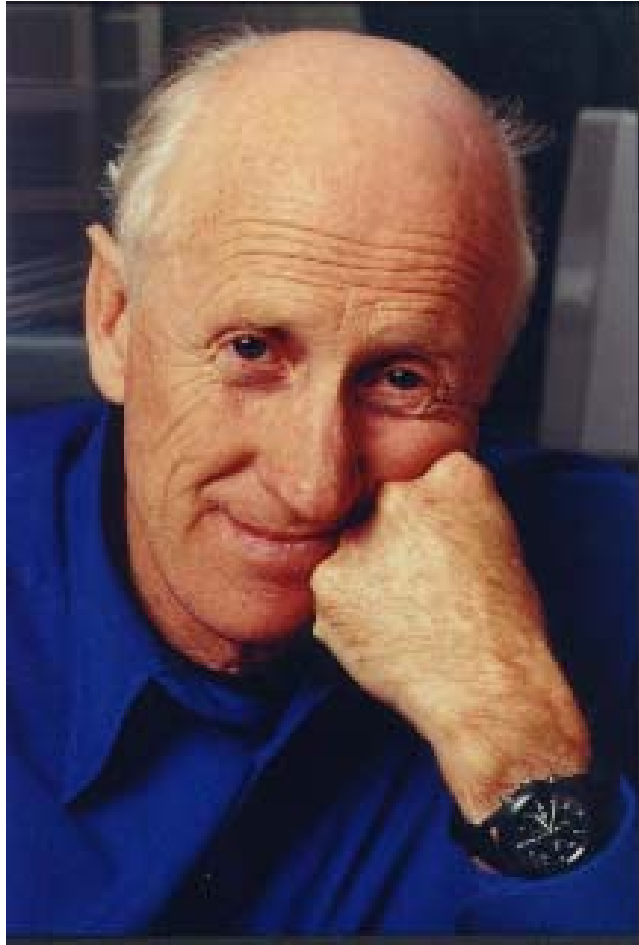
**USC Demographic  
Futures Project**

**✓ 100% of  
net additions  
to workforce**

# Global “brain circulation” accelerates innovation



# **Cities that can't attract young professionals and immigrants will shrink**



Economics:  
Structural Shifts  
Accelerate



The world is  
competitive and  
connected

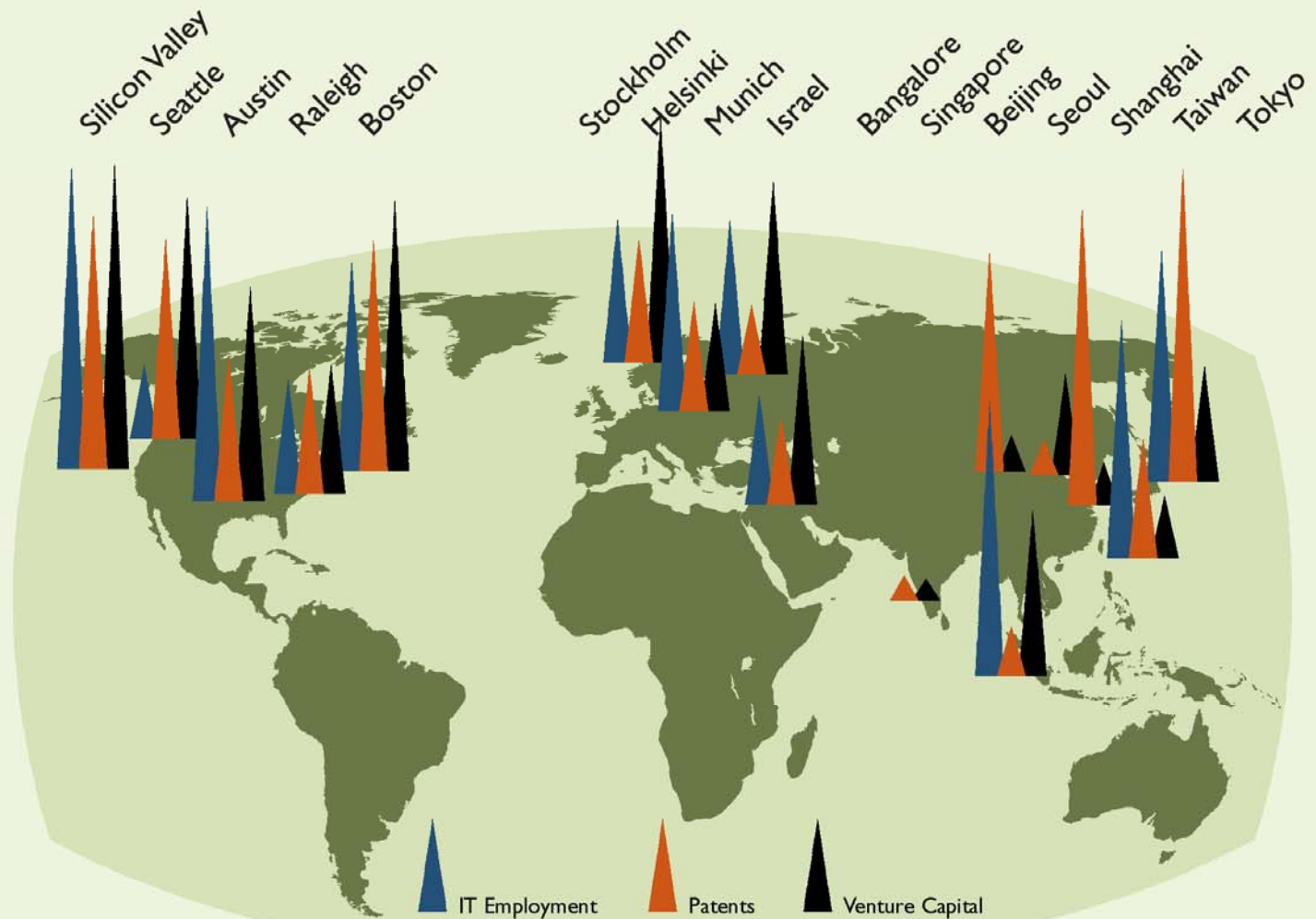


**The U.S. economy is declining in significance; Asia is returning to economic pre-eminence**



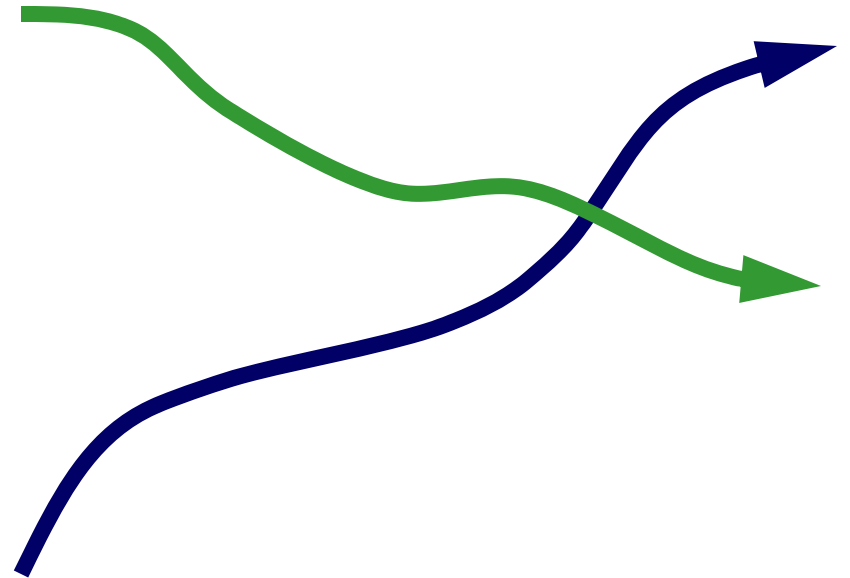


# City-regions connect and compete

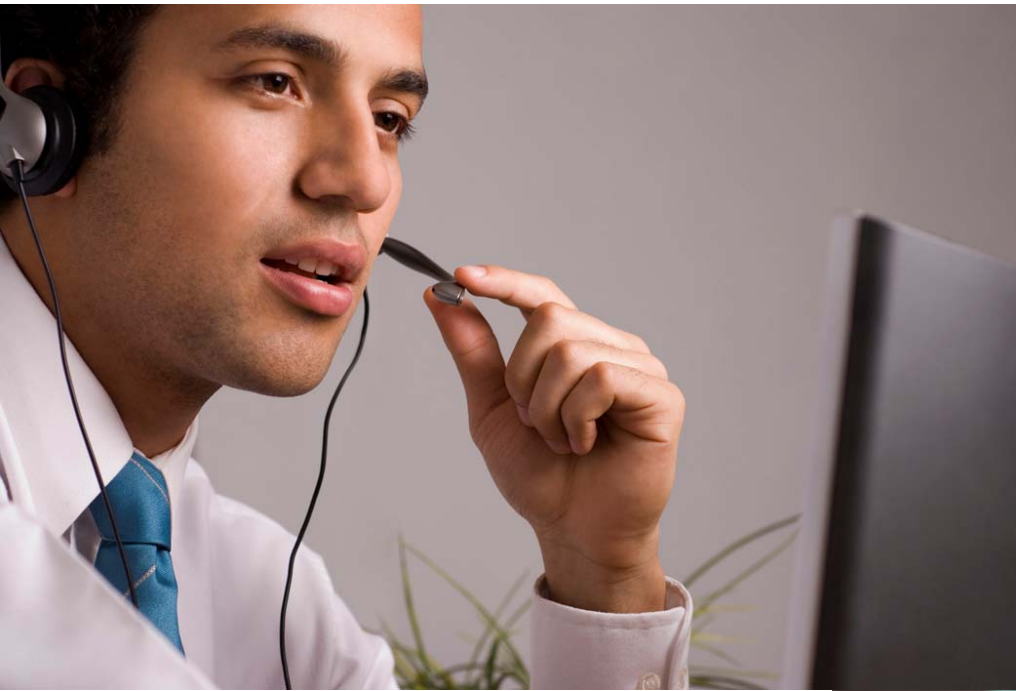




Globally, there is  
a shift to services



# Services jobs are across all levels



**Manufacturing still matters,  
just like agriculture still does**





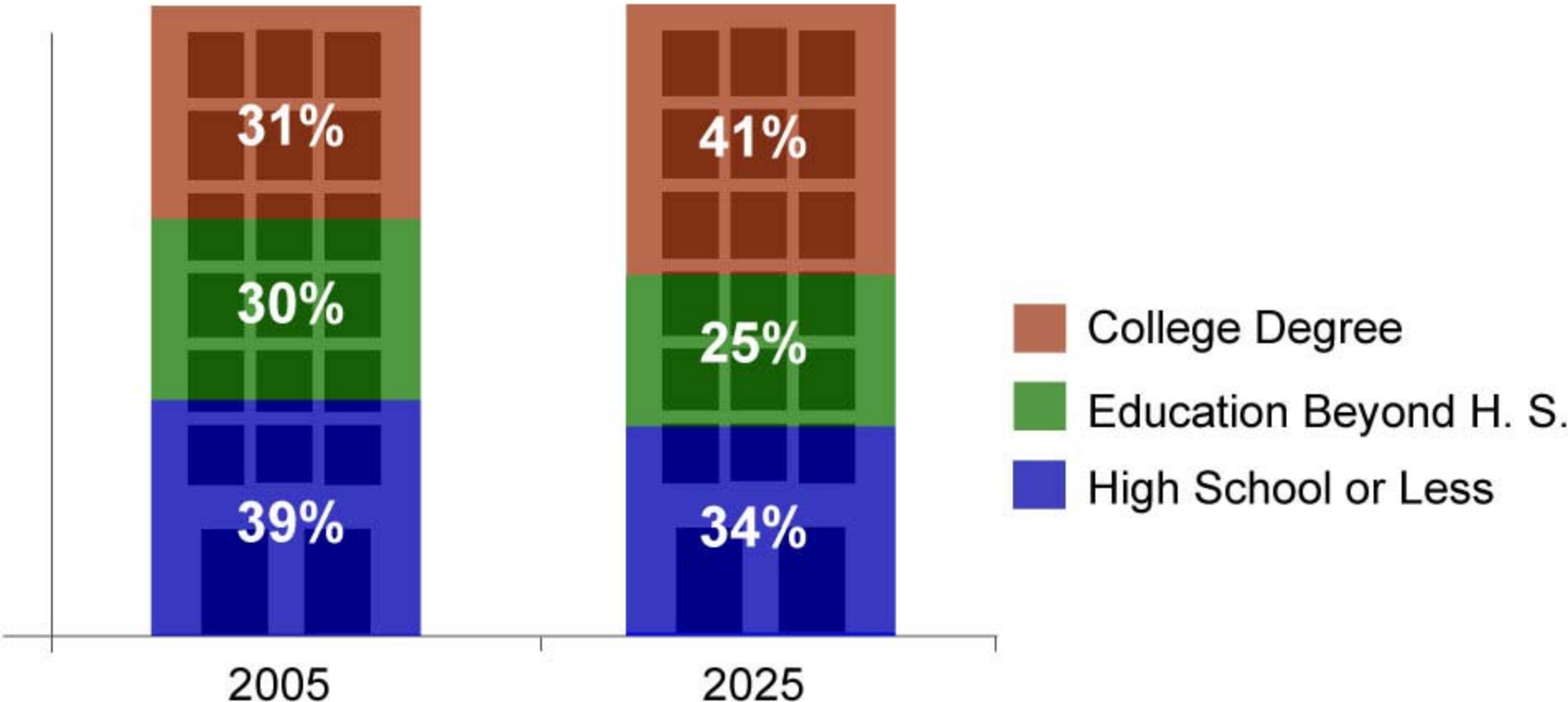
# Industrial-age tax structure weakens the link between economic growth and city revenue



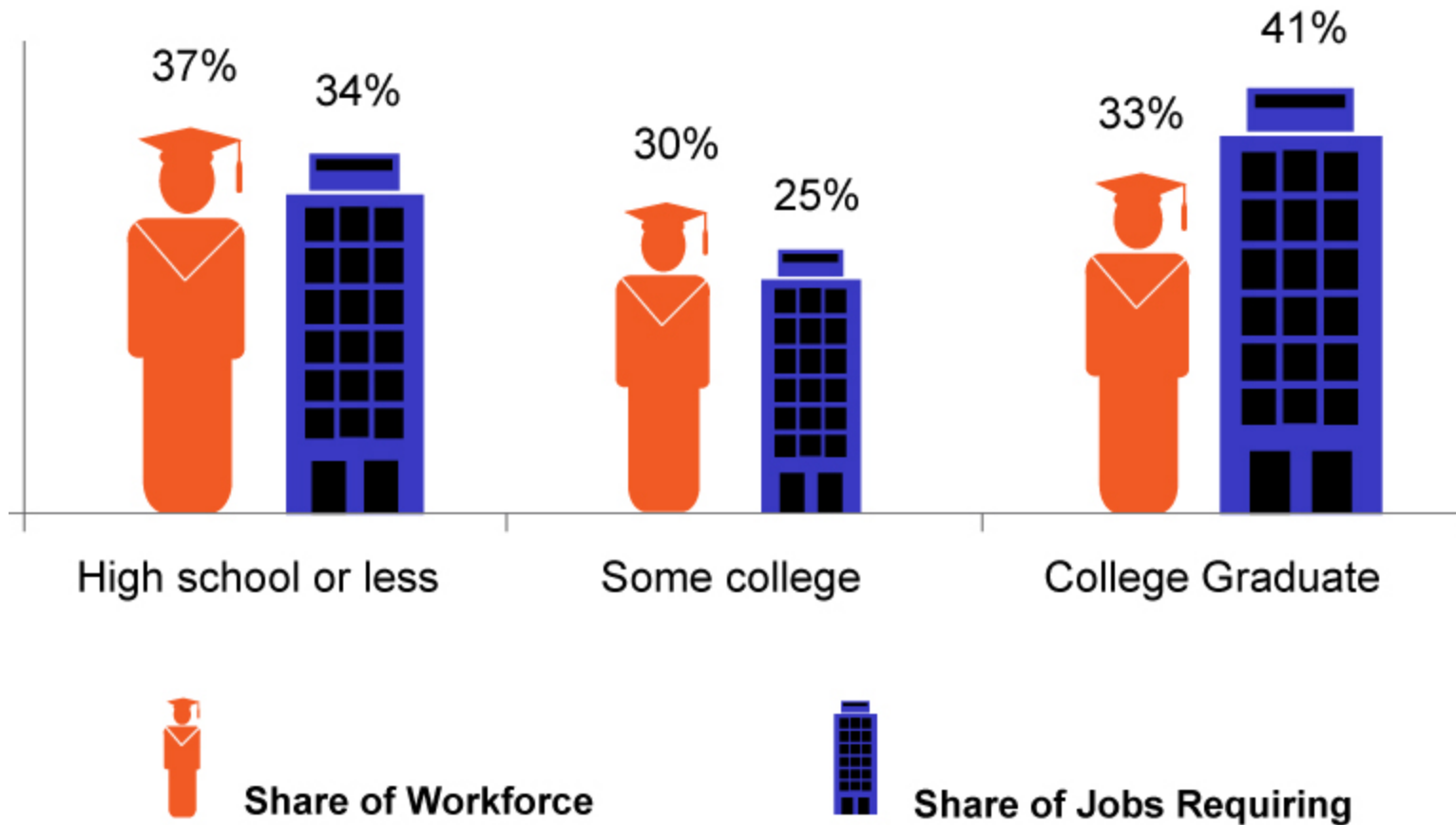
Demand will rise  
for educated  
workers



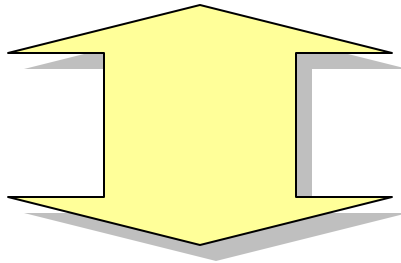
**By 2025, 2 of 5 jobs will require college degree; less-skilled jobs will decline as share**



# California is not prepared

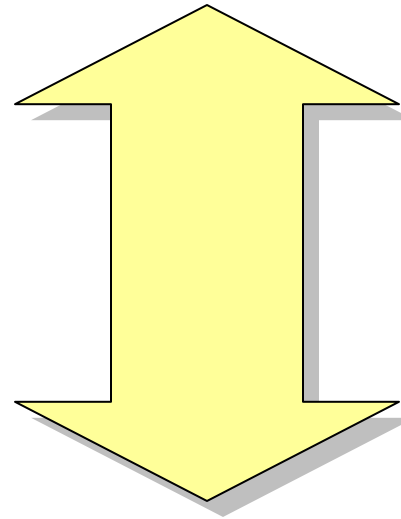


# Economic returns to education will increase, widening income gap



Late 1970s

**20%**



Today

**40%**



Business:  
New Ways to  
Work Emerge



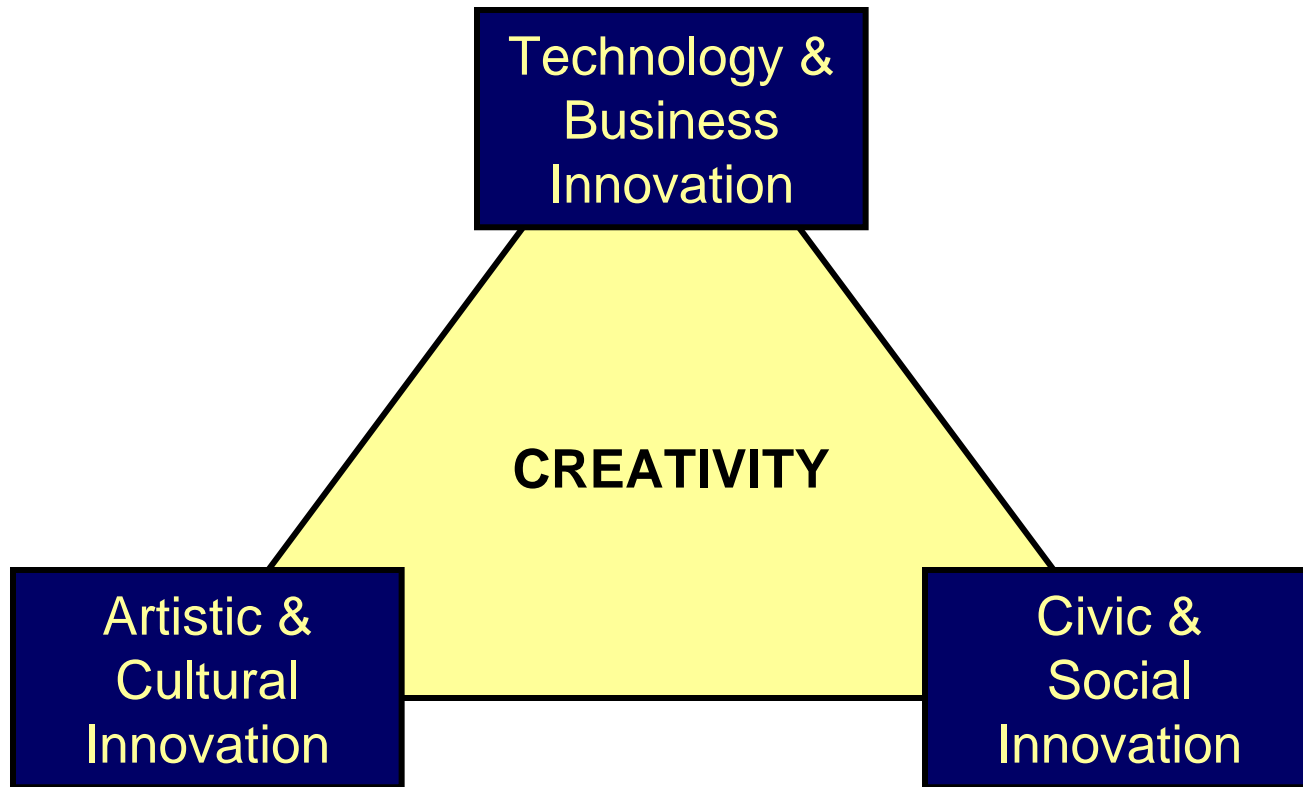
Creativity fuels  
innovation



The Challenge of Assessing the Creative Economy:  
towards Informed Policy-making



# Creativity is important across many industries and sectors



# Right Brain is becoming as important as Left Brain

**Logical**  
**Mathematical**  
**Linear**  
**Sequential**  
**Verbal**  
**Rational**



**Intuitive**  
**Artistic**  
**Nonlinear**  
**Simultaneous**  
**Visual**  
**Emotional**

# The arts are a key building block of competitive workforce



The mobile,  
networked  
“office” is here





# Office space is dramatically underutilized



# The mobile workplace plans for different workstyles



**Fully Mobile**



**Home/  
Third Place**



**Internally Mobile**



**Anchor**

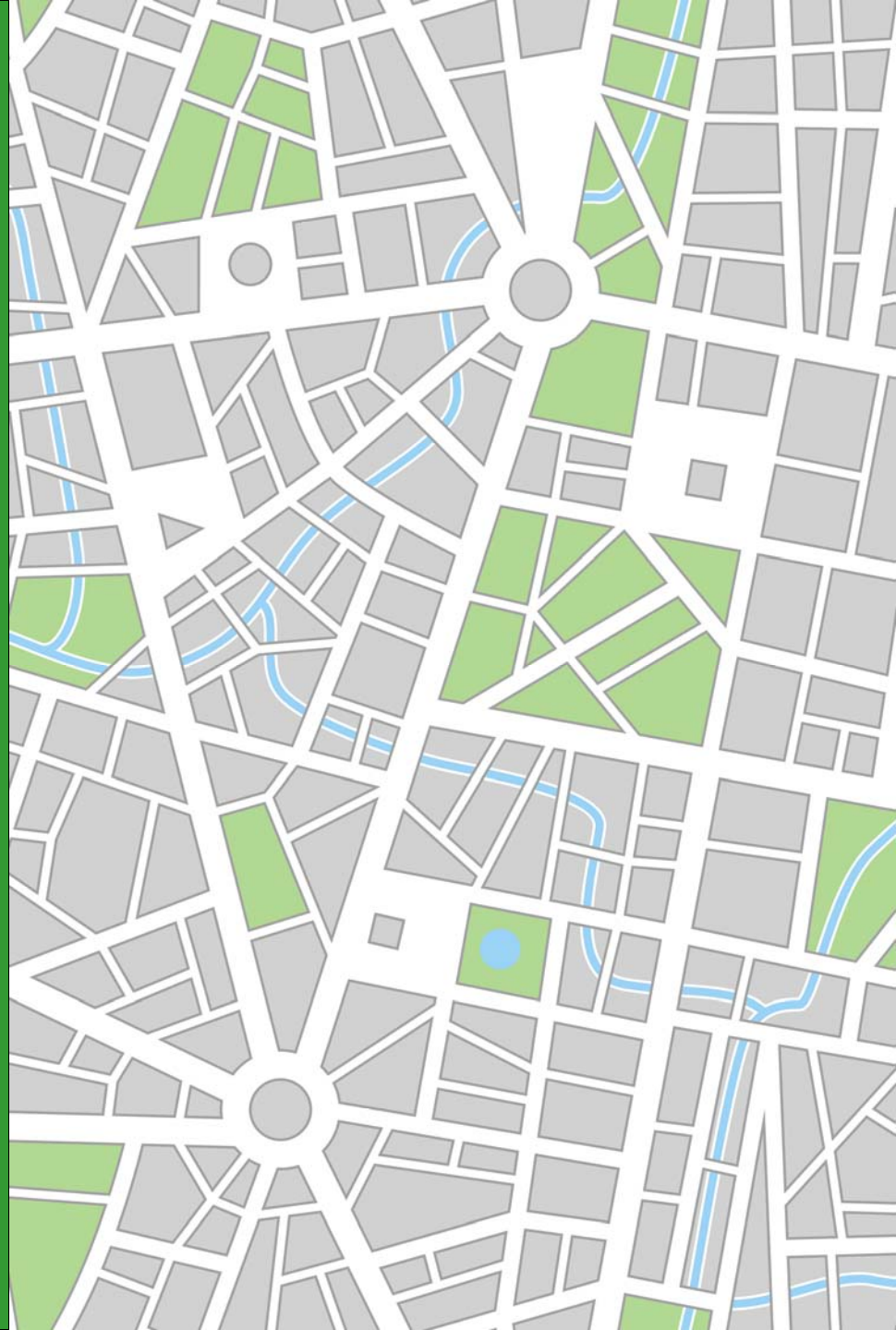


# Mobility cuts costs, lowers carbon footprint, benefits employees





Quality places  
are even more  
important in age  
of creativity,  
mobility,  
interaction



# **Innovation requires interaction, face-to-face**



# There is greater reliance on shared amenities and public space



**Support Services**



**Restaurants**



**Recreation/Fitness**



**Cafes, Coffee**



# The shift from industrial parks to innovation districts is widespread

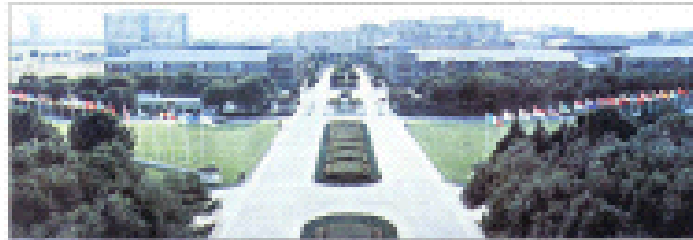
WASH. TIMES | BUSINESS | SEPTEMBER 14, 2009 | 15A

Nation

## Suburban office parks get urban injection

Movement in community redevelopment provides commute-weary employees hip new places to live, dine and shop near their work

**Community redevelopment**  
This is a redeveloped  
factory town center  
which also includes  
apartments, shops, restaurants  
and a park. The area is  
now a vibrant community  
with a mix of housing,  
shopping, dining and  
entertainment.



▲ A man and a woman sit at a table in a restaurant in a new office park in Plano, Texas. The area is now a vibrant community with a mix of housing, shopping, dining and entertainment.

By David F. Mustard  
CHARTER

PLANO, Texas — When suburban office parks were first developed in the 1960s, they were designed to be self-contained communities. They provided everything an employee needed to live, work and play. But now, many of these parks are being redeveloped to become more vibrant communities.

In 1960, when the first office parks were developed, they were designed to be self-contained communities. They provided everything an employee needed to live, work and play. But now, many of these parks are being redeveloped to become more vibrant communities.

Redevelopment is not just about adding new buildings. It's about creating a vibrant community that includes housing, shopping, dining and entertainment. This is what makes a park a true community.

In the competition for the best office parks, developers are looking for ways to make their parks more vibrant. They are adding more amenities, such as restaurants, shops and parks.

There's nothing like a vibrant community to attract top talent. This is why many office parks are being redeveloped to become more vibrant communities.

But redevelopment is not just about adding new buildings. It's about creating a vibrant community that includes housing, shopping, dining and entertainment. This is what makes a park a true community.

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Continued on B1B

# Environment: Cities Viewed as Solution



High gas prices  
are altering the  
real estate  
landscape





# **Growth of suburban housing and outlying communities was predicated on cheap gas**



**Nationally, home price decline is correlated with auto dependence**

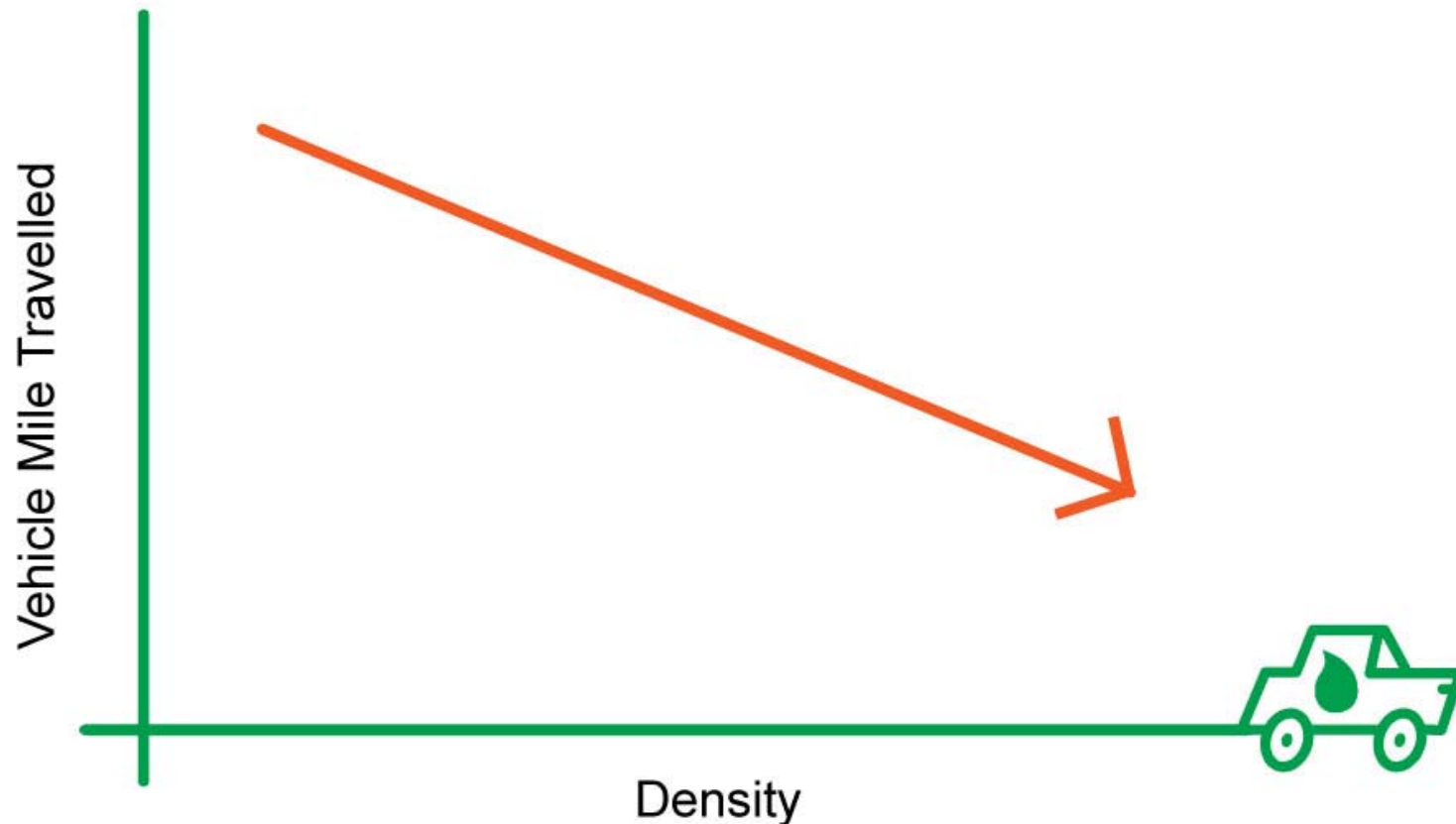
## Driven to the **Brink**

How the Gas Price Spike Popped the Housing Bubble and Devalued the Suburbs

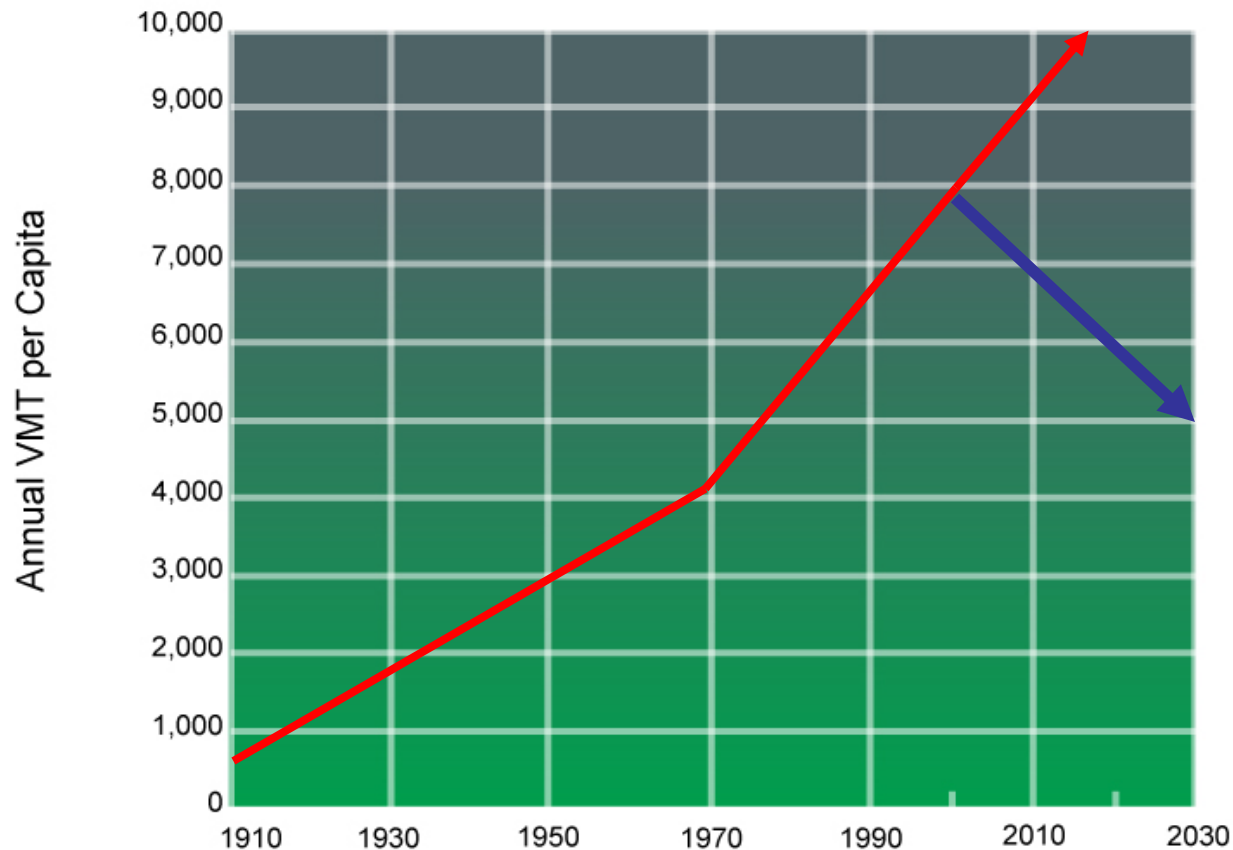
Cities will be  
designed for  
less driving



**On per capita basis, denser cities  
have less environmental impact**



# Goal is to reduce VMT to 1970 levels



**The 2030 Communities Campaign: Planning to Drive Less**

“Green dividends”  
will accrue to  
smart cities





# **Less driving saves money for families and sparks the economy**

**Portland**


**\$2.3 billion**

**Chicago**

**\$3.2 billion**

A green rectangular highway sign with rounded corners, mounted on a metal lattice structure. The sign features white text and an arrow. The text "The Future" is at the top, "NEXT EXIT" is below it, and a white arrow points up and to the right. The sign is held by several metal brackets.

The Future

NEXT EXIT 



# **We can harness forces of change to be a model city**



**Demographic**



**Economic**



**Business**



**Environment**

# What Do You Think?

What do trends mean  
for the future success  
of San Jose?



**Kim Walesh**, Chief Strategist, City of San Jose, [kim.walesh@sanjoseca.gov](mailto:kim.walesh@sanjoseca.gov)